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May 19, 2004

Honorable J. Frederick Motz
United States District Court for the
District of Maryland
101 West Lombard Street
Baltimore, MD 21201

Re: MDL 1586 - In re Mutual Funds Investment Litigation

Dear Judge Motz:

As proposed chairs/chief administrative counsel for plaintiffs' horizontal steering committee, we write to ask the Court to adjust the schedule set at the April 2, 2004 hearing. We speak for all plaintiffs' counsel and have discussed this matter with defendants and they do not object to this request. Specifically, we ask that the date for plaintiffs to file consolidated amended complaints be extended by 60 days. We do not make this request lightly, and ardently support the Court's goal to bring these cases to a "just conclusion as soon as reasonably possible." For the reasons set out below, however, we believe that allowing plaintiffs more time on the front end to carefully draft the operative complaints in these actions will advance rather than impede that objective.

First, we need more time to analyze and confer among ourselves concerning how to plead the numerous overlapping claims presented in this highly complex litigation in a coordinated fashion. Organizational issues took more time to resolve than originally contemplated and coordination efforts among class and derivative counsel to sort through a wide range of underlying legal theories have only just begun.¹

Second, we are discussing among ourselves and with defendants issues that relate to the identification of proper parties. Among plaintiffs' counsel we need more time to

¹ During the April 2, 2004, hearing, we advised the court that plaintiffs could file amended complaints 45 days after the appointment of the plaintiffs' leadership structure. As the court knows, plaintiffs only last week submitted a proposed case management order that will resolve the leadership issues, and that proposed order has not yet been entered.

select appropriate representative plaintiffs for claims relating to particular funds. Moreover, several defendants have suggested that existing complaints have mistakenly named defendants. In that regard, we have initiated discussions with defendants to limit the number of parties to be named in the consolidated complaints by entering into tolling agreements to preserve the status quo while these issues are resolved.

Third, we believe that time to analyze the effects of proposed regulatory settlements with several fund families would be beneficial in framing or narrowing the issues that remain to be litigated with respect to those funds.

In our discussions with defendants concerning this request, defendants have stated and, we have agreed, that the schedule for briefing of discovery stay issues should also move forward 60 days. As provided in the Court's April 5 letter, plaintiffs would file their motion to lift the discovery stay in PSLRA cases on the same date as the consolidated complaints are filed. The state court plaintiffs have also agreed to continue their voluntary stay.

In summary, we urge the Court to grant the requested schedule adjustment. We believe that an additional 60 days is the minimum amount of time we need to accomplish the tasks necessary to coordinate the preparation of thoughtful consolidated amended class and derivative complaints in 18 sub-tracks. We respectfully submit that the extra time taken now will make the proceedings which follow more efficient and ultimately will benefit all parties. We submit herewith a proposed order reflecting the revised schedule.

Respectfully submitted,

/s/David J. Bershad

David J. Bershad

/s/Alan Schulman

Alan Schulman

AS/jmi

cc: Honorable Catherine C. Blake
Honorable Andre M. Davis
Honorable Frederick P. Stamp, Jr.
All Counsel

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

IN RE MUTUAL FUNDS INVESTMENT
LITIGATION

[All Tracks]

MDL 1586

Case Nos. 04-MD-15861
04-MD-15862
04-MD-15863
04-MD-15864

[PROPOSED] SCHEDULING ORDER

WHEREAS, plaintiffs have requested that the Court modify the schedule set forth in the Court's letter of April 5, 2004, for the briefing and argument of the "Stay of Discovery Issues," the time for the filing of consolidated amended complaints and the briefing and hearing schedule for motions to dismiss, and the defendants having consented to this request, it is this ____ day of May, 2004, ORDERED that the following schedule shall apply:

Consolidated Complaints and Motions to Dismiss

July 27, 2004 Deadline for plaintiffs to file consolidated complaints in Maryland
(or consolidated amended complaints in cases that have been
transferred to Maryland)

September 14, 2004 Deadline for defendants to file motions to dismiss

November 2, 2004 Deadline for plaintiffs to file oppositions

November 23, 2004 Deadline for defendants to file replies

December ___, 2004 Hearing at __:____.

Stay of Discovery Issues

July 27, 2004 Deadline for plaintiffs to file motions to lift discovery stay in cases
instituted under the PSLRA

August 27, 2004 Deadline for defendants to file opposition to plaintiffs' motion and
to file cross-motion for protective order in cases not instituted
under the PSLRA

September 14, 2004 Deadline for plaintiffs to file opposition/reply

September 21, 2004 Deadline for Defendants to file reply

September __, 2004 Hearing at __:____.

IT IS SO ORDERED.

Dated:

J. FREDERICK MOTZ
UNITED STATES DISTRICT JUDGE

Dated:

CATHERINE C. BLAKE
UNITED STATES DISTRICT JUDGE

Dated:

ANDRE M. DAVIS
UNITED STATES DISTRICT JUDGE

Dated:

FREDERICK P. STAMP, JR.
UNITED STATES DISTRICT JUDGE